TRADEeasy
易 貿 通

TRADEEASY HOLDINGS LIMITED
(易貿通集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

This announcement, for which the directors of Tradeeasy Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to Tradeeasy Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* *For identification purpose only*

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board") of Tradeeasy Holdings Limited (the "Company") , I am pleased to announce the results of the Company and its subsidiaries (together the "Group") for the year ended 31 March 2008, to our valuable shareholders.

The financial year 2007/08 was a year of mixed feelings for the Group. Firstly, the financial crisis in the United States and the appreciation of Renminbi against US dollars has eventually turned into a slowdown of export activities in Mainland China. In response to that, the Group has adopted various strategies to maintain its competitiveness and at the same time streamlined its operations.

Every business has a business cycle while export business is no exception. The reduction of export orders from the US in the past six months has affected certain amount of manufacturers in Mainland China, in particular to the ones that focus in this region.

The business of the Group has been inevitably affected too. However, the management is cautiously optimistic about the future of the export businesses in Mainland China. As a matter of fact, whilst the volume of exports to the US market is reducing, the volume of exports to European countries and other emerging markets like India, is soaring. We believe Chinese manufacturers would gradually diversify their businesses into different markets. In the coming years, the role of China as the world's factory should continue to grow. When the financial crisis settled down, the Chinese manufacturers would come back for good quality trade enabling B2B solutions.

Meanwhile, the Group has undertaken a number of initiatives to strengthen its core business and increase its competitiveness. Those initiatives are set out as follows:

1. keep embracing the on-line and off-line business model, so as to provide both business lead generations and face-to-face meetings opportunities to our sellers;

2. keep enhancing the B2B portal and increase its usability;

3. create verticals and stay focus in a selective number of industries;

4. expand sales and marketing network by appointing new agents in China;

5. devote more resources to open up non-US buyer markets; and

6. streamline the operations.

In order to complement with its highly competitive e-commerce business, the Company has been taking initiative in identifying business opportunities that will broaden its revenue sources and improve its profitability. During the financial year under review, the Company has entered into conditional agreements in relation to the acquisition of a forestry project in Indonesia, which will involve the business of upstream and downstream forestry operations in the natural forest concessions of approximately 313,500 hectares in the Papua Province of Indonesia. We believe that the forestry project in Papua, Indonesia will represent a good opportunity for the Group to diversify and expand into the high-growth forestry business.

Looking forward, we will further strengthen the skills and composition of our management team, enhance our products, seek for other potential investment opportunities and create value to our shareholders. On behalf of the Board, I have to thank the management team and the staff of the Group for their valuable contribution and our shareholders for their continuing support.

FINANCIAL HIGHLIGHTS

- For the year ended 31 March 2008, the Group recorded a revenue of approximately HK$41.2 million in comparison to approximately HK$46.1 million in last year, down approximately 10.6%.

- The Group recorded a gross profit of approximately HK$13.5 million this year as compared to approximately HK$16.0 million for the year ended 31 March 2007, down approximately 15.6%.

- The loss for the year was approximately HK$9.4 million, in comparison to the loss of approximately HK$10.3 million in last year, which is mainly due to an impairment of deferred development expenditure of approximately HK$1.5 million for the software programs being obsolete and the additional costs incurred to strengthen the competitiveness of the Group.

- Loss per share was approximately HK0.9 cent for the year ended 31 March 2008 as compared to a loss per share of approximately HK1.1 cent in last year.

- The Company entered into an agreement on 13 November 2007 in relation to the placing and top-up subscription of 150,000,000 shares under the general mandate of the Company, which was completed in November 2007. The Company intends to use the net proceeds of the subscription amounting to approximately HK$41.3 million as general working capital of the Group.

- The Board does not recommend the payment of any dividend for the year ended 31 March 2008.

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
REVENUE	4	**41,214**	46,099
Cost of sales		**(27,674)**	(30,106)
Gross profit		**13,540**	15,993
Other income and gains	4	**1,924**	949
Selling and distribution costs		**(3,070)**	(2,927)
General and administrative expenses		**(15,423)**	(17,564)
Advertising and promotion expenses		**(3,293)**	(3,831)
Other expenses		**(3,043)**	(2,946)
Share of losses of associates		**(12)**	–
LOSS BEFORE TAX	5	**(9,377)**	(10,326)
Tax	6	**–**	–
LOSS FOR THE YEAR		**(9,377)**	(10,326)
Attributable to:			
Equity holders of the parent		**(9,103)**	(10,222)
Minority interests		**(274)**	(104)
		(9,377)	(10,326)
DIVIDEND	8	**–**	–
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic		**HK(0.9) cent**	HK(1.1) cent
Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**3,367**	3,721
Deferred development expenditure		**4,929**	4,974
Investments in associates		**410**	422
Total non-current assets		**8,706**	9,117
CURRENT ASSETS			
Trade receivables	*11*	**702**	2,153
Financial assets at fair value through profit or loss	*12*	**9,507**	13,717
Prepayments, deposits and other receivables		**11,318**	1,647
Due from a related company		**55**	25
Cash and cash equivalents		**37,303**	5,961
Total current assets		**58,885**	23,503
CURRENT LIABILITIES			
Trade payables	*13*	**–**	487
Deferred service fees received in advance		**3,318**	3,923
Due to an associate		**909**	392
Other payables and accruals		**5,525**	4,578
Total current liabilities		**9,752**	9,380
NET CURRENT ASSETS		**49,133**	14,123
Net assets		**57,839**	23,240
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		**11,803**	9,720
Reserves		**46,040**	13,571
		57,843	23,291
Minority interests		**(4)**	(51)
Total equity		**57,839**	23,240

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2008

	Attributable to equity holders of the parent								
	Issued capital	Share premium account	Contributed surplus	Share option reserve	Exchange fluctuation reserve	Accumulated losses	Total	Minority interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2006	4,210	17,125	66,710	302	(28)	(78,125)	10,194	–	10,194
Exchange realignment	–	–	–	–	20	–	20	(1)	19
Total income and expense recognised directly in equity	–	–	–	–	20	–	20	(1)	19
Loss for the year	–	–	–	–	–	(10,222)	(10,222)	(104)	(10,326)
Total income and expense for the year	–	–	–	–	20	(10,222)	(10,202)	(105)	(10,307)
Equity-settled share option arrangements	–	–	–	2,280	–	–	2,280	–	2,280
Capital contribution by a minority shareholder	–	–	–	–	–	–	–	54	54
Issue of shares	5,510	16,527	–	–	–	–	22,037	–	22,037
Share issue expenses	–	(1,018)	–	–	–	–	(1,018)	–	(1,018)
At 31 March 2007 and 1 April 2007	9,720	32,634*	66,710*	2,582*	(8)*	(88,347)*	23,291	(51)	23,240
Exchange realignment	–	–	–	–	177	–	177	1	178
Total income and expense recognised directly in equity	–	–	–	–	177	–	177	1	178
Loss for the year	–	–	–	–	–	(9,103)	(9,103)	(274)	(9,377)
Total income and expense for the year	–	–	–	–	177	(9,103)	(8,926)	(273)	(9,199)
Capital contribution by a minority shareholder	–	–	–	–	–	–	–	320	320
Issue of new shares upon exercise of share options	583	2,560	–	(977)	–	–	2,166	–	2,166
Issue of new shares upon placing and top-up subscription	1,500	41,250	–	–	–	–	42,750	–	42,750
Share issue expenses	–	(1,438)	–	–	–	–	(1,438)	–	(1,438)
At 31 March 2008	**11,803**	**75,006***	**66,710***	**1,605***	**169***	**(97,450)***	**57,843**	**(4)**	**57,839**

* *These reserve accounts comprise the consolidated reserves of HK$46,040,000 (2007: HK$13,571,000) in the consolidated balance sheet.*

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2008. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 7 *Financial Instruments: Disclosures*

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/revised where appropriate.

(b) Amendment to HKAS 1 *Presentation of Financial Statements – Capital Disclosures*

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in note to the financial statements in Annual Report 2008 of the Company.

(c) HK(IFRIC)-Int 8 *Scope of HKFRS 2*

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has only issued equity instruments to the Group's employees for identified services provided in accordance with the Company's share option scheme, the interpretation has had no effect on these financial statements.

(d) HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives*

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative be the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group's existing policy of accounting for derivatives complies with the requirements of the interpretations, the interpretation has had no effect on these financial statements.

(e) HK(IFRIC)-Int 10 *Interim Financial Reporting and Impairment*

The Group has adopted this interpretation as of 1 April 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

(f) HK(IFRIC)-Int 11 *HKFRS 2 – Group and Treasury Share Transactions*

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments, to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation has had no impact on these financial statements.

3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 2 Amendment	Share-based Payments – Vesting Conditions and Cancellations [1]
HKFRS 3 (Revised)	Business Combinations [2]
HKFRS 8	Operating Segments [1]
HKAS 1 (Revised)	Presentation of Financial Statements [1]
HKAS 23 (Revised)	Borrowing Costs [1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [3]
HKAS 32 and HKAS 1 Amendment	Puttable Financial Instruments and Obligations Arising on Liquidation [1]
HK(IFRIC)-Int 12	Service Concession Arrangements [4]
HK(IFRIC)-Int 13	Customer Loyalty Programmes [5]
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction [4]

[1] *Effective for annual periods beginning on or after 1 January 2009*

[2] *Effective for business combinations with acquisition date on or after the beginning of the first annual reporting period beginning on or after 1 July 2009*

[3] *Effective for annual periods beginning on or after 1 July 2009*

[4] *Effective for annual periods beginning on or after 1 January 2008*

[5] *Effective for annual periods beginning on or after 1 July 2008*

Details of the above accounting policies will be set out in the 2007/08 Annual Report of the Company.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the value of services rendered during the year.

An analysis of revenue, other income and gains is as follows:

	2008	2007
	HK$'000	*HK$'000*
Revenue		
Integrated marketing solution services	**9,006**	8,864
ASP services	**18,007**	22,970
Technical consultancy services	**14,201**	14,265
	41,214	46,099
Other income		
Interest income	**355**	655
Others	**139**	27
	494	682
Gains		
Gains on disposal of financial assets at fair value through profit or loss	**997**	–
Fair value gains on financial assets at fair value through profit or loss	**433**	267
	1,430	267
	1,924	949

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2008	2007
	HK$'000	*HK$'000*
Staff costs (including directors' remuneration):		
Salaries and related staff costs	**24,749**	24,456
Equity-settled share option expenses	**–**	2,233
Pension scheme contributions	**1,140**	1,123
	25,889	27,812
Less: Amounts capitalised in deferred development expenditure	**(2,906)**	(1,161)
	22,983	26,651
Auditors' remuneration	**700**	700
Depreciation	**1,368**	1,289
Amortisation of deferred development expenditure *	**1,461**	914
Impairment of deferred development expenditure **	**1,504**	2,351
Minimum lease payments under operating leases:		
Land and buildings	**2,382**	2,044
Office equipment	**223**	158
	2,605	2,202
Loss on disposal and write-off of items of property, plant and equipment **	**385**	8
Impairment of trade receivables **	**961**	557
Impairment of other receivables **	**193**	30
Foreign exchange differences, net	**20**	60

* *Included in "Cost of sales" on the face of the consolidated income statement.*

** *Included in "Other expenses" on the face of the consolidated income statement.*

6. TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2007: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

In late February 2008, CCT Telecom Holdings Limited ("CCT Telecom") received a letter from the Hong Kong Inland Revenue Department (the "IRD") in respect of a review on the tax affairs of CCT Telecom and its subsidiaries, including the Group, for the past years. In view that the tax review by the IRD is only at the initial stage, there is still uncertainty about the outcome of the case. Up to the date of approval of this announcement, the directors of the Company consider that adequate tax provision, if any, has been made in the financial statements.

7. DEFERRED TAX

The Group has tax losses arising in Hong Kong of HK$47,434,000 (2007: HK$42,947,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time, and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

8. DIVIDEND

No dividend has been paid or declared by the Company during the year (2007: Nil).

9. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the integrated marketing solution services segment provides an internet platform to allow international buyers to identify suppliers and products and to enable suppliers to market their products to buyers;

(b) the Application Service Provider ("ASP") services segment provides international traders with an integrated management automation system for carrying out the maintenance of their existing customer bases, the management of customer relationships, order processing and the enhancement of potential trade enquiries; and

(c) the technical consultancy services segment provides the development and production of electronic versions of marketing materials and product descriptions, and the provision of related technology services.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

(a) Business segments

The following table presents revenue, loss and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2008 and 2007.

	Integrated marketing solution services		ASP services		Technical consultancy services		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**9,006**	8,864	**18,007**	22,970	**14,201**	14,265	**41,214**	46,099
Segment results	**(2,548)**	(2,755)	**(1,787)**	(1,046)	**(4,502)**	(3,803)	**(8,837)**	(7,604)
Interest income							**355**	655
Share of losses of associates							**(12)**	–
Unallocated revenue							**1,569**	294
Unallocated expenses							**(2,452)**	(3,671)
Loss before tax							**(9,377)**	(10,326)
Tax							**–**	–
Loss for the year							**(9,377)**	(10,326)
Assets and liabilities								
Segment assets	**2,972**	5,052	**3,777**	2,467	**2,249**	3,330	**8,998**	10,849
Interests in associates							**410**	422
Unallocated assets							**58,183**	21,349
Total assets							**67,591**	32,620
Segment liabilities	**1,120**	1,550	**979**	1,299	**1,220**	1,074	**3,319**	3,923
Unallocated liabilities							**6,433**	5,457
Total liabilities							**9,752**	9,380
Other segment information:								
Capital expenditure	**536**	1,578	**3,335**	857	**260**	1,218	**4,131**	3,653
Depreciation	**230**	164	**496**	425	**642**	700	**1,368**	1,289
Amortisation of deferred development expenditure	**587**	173	**874**	326	**–**	415	**1,461**	914
Impairment of deferred development expenditure	**1,504**	2,351	**–**	–	**–**	–	**1,504**	2,351
Other non-cash expenses	**118**	79	**237**	206	**1,184**	310	**1,539**	595

(b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2008 and 2007.

	Hong Kong		Mainland China		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**27,013**	31,834	**14,201**	14,265	**41,214**	46,099
Other segment information:						
Segment assets	**62,984**	27,628	**4,607**	4,992	**67,591**	32,620
Capital expenditure	**3,871**	2,435	**260**	1,218	**4,131**	3,653

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

The calculation of basic loss per share is based on:

	2008	2007
Loss		
Loss attributable to ordinary equity holders of the parent	**(HK$9,103,000)**	(HK$10,222,000)
Shares		
Weighted average number of ordinary shares in issue during the year	**1,069,319,000**	934,852,000

Diluted loss per share amounts for the years ended 31 March 2008 and 2007 have not been disclosed, as the share options outstanding during these years had an anti-dilutive effect on the basic loss per share amounts for these years.

11. TRADE RECEIVABLES

	Group	
	2008	2007
	HK$'000	*HK$'000*
Trade receivables	**3,555**	4,045
Impairment	**(2,853)**	(1,892)
	702	2,153

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date and net of impairment, is as follows:

	Group			
	2008		2007	
HK$'000	**Balance**	**Percentage**	Balance	Percentage
Within 1 month	**166**	**24**	896	42
1 to 2 months	**98**	**14**	145	7
2 to 3 months	**185**	**26**	138	6
Over 3 months	**253**	**36**	974	45
	702	**100**	2,153	100

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and the Company	
	2008	2007
	HK$'000	*HK$'000*
Equity-linked deposits, at fair value	**9,507**	13,717

The above equity-linked deposits at 31 March 2008 were classified as held for trading.

13. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

	Group			
	2008		2007	
HK$'000	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**–**	**–**	389	80
31 to 60 days	**–**	**–**	3	1
61 to 90 days	**–**	**–**	94	19
Over 90 days	**–**	**–**	1	–
	–	**–**	487	100

The trade payables are non-interest-bearing and are normally settled on credit terms of 30 days.

14. SUBSEQUENT EVENTS

(a) In October 2007, the Company entered into an agreement (as amended subsequently in February and March 2008) (the "Agreement") for the acquisition of a forestry project in Indonesia (the "Forestry Project"). The total consideration for the Forestry Project amounts to approximately HK$916 million, comprising a consideration of HK$785 million for the acquisition of the Forestry Project to be satisfied by cash of HK$8 million and convertible bonds of HK$777 million, and additional cash injection of HK$131 million into the project company upon completion of the acquisition. The Forestry Project is principally involved in the business of harvesting and extraction of timber, land clearing, plantation of oil palm and production of palm oil, operation of sawn mills as well as production and export of sawn timber and other timber and wood products in the natural forest concessions of approximately 313,500 hectares in the Papua Province of Indonesia.

Details of the Agreement and the Manistar Subscription Agreement and the transactions contemplated thereunder have been set out in the Company's circular dated 30 May 2008 issued to the shareholders of the Company and have been approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 18 June 2008. Since certain conditions precedent have not been fulfilled or waived as at the date of this announcement, it is not practicable to disclose further financial information in relation to the acquisition.

(b) During the year, the Company and a subsidiary commenced a legal action against two former employees of the Group and a company for the alleged improper use of the Group's proprietary trade secrets and copyright materials. As at 31 March 2008, the Group successfully applied for an interlocutory junction and property freezing injunction against the defendants, but it is still uncertain whether the Group would succeed the claim against the defendants. Accordingly, the Group has not recognised any contingent asset arising from the claims against the defendants as at 31 March 2008. The Group has recorded the estimated legal costs of HK$1,115,000 in connection with the aforesaid legal action incurred up to 31 March 2008 in the financial statements. Subsequent to the balance sheet date, the Group entered into a settlement with one of the defendants by way of a court order on 28 April 2008, and another settlement with the remaining two defendants also by way of a court order on 7 May 2008. Under the settlement arrangements, the defendants would pay the Group a total sum of HK$800,000 by installments. Up to the date of this announcement, the Group received a total of HK$150,000 from the defendants.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The financial year 2007/08 has been a challenging year for the SME exporters in Mainland China. The shortage of labour supply, the rising labour cost, the economic slow down in the US market and the appreciation of Renminbi, all have introduced adverse impact on the export activities in the region. The Chinese manufacturers have become conservative in deciding their promotional budget and every spending in the marketing related activities.

In view of above, the Group has implemented various measures, including continuous modification of the existing products, exploration of new business opportunities and costs containment strategies.

The Group recorded a turnover of approximately HK$41.2 million during the year under review, as compared to approximately HK$46.1 million for the financial year 2006/07, representing a decrease of approximately 10.6%. The Group also recorded a net loss of approximately HK$9.4 million in this year, as compared to the net loss of approximately HK$10.3 million in last financial year.

As the Group has been undergoing the upgrading of its B2B platform and many other related software programs, the original version became obsolete. Hence, the deferred development expenditure of approximately HK$1.5 million was written off during the year under review.

The revenue generated from Mainland China is approximately HK$14.2 million, which remains stable from last year, while the revenue generated from Hong Kong market decreases from approximately HK$31.8 million in last year to approximately HK$27.0 million this year.

Operation Review

The Company's new portal www.tradeeasy.com was launched in 2007 and the second phase modifications were completed in May 2008. Our proprietary developed search engine aims to provide more comprehensive and relevant search results to our users. The user-friendliness of the portal is substantially enhanced. Furthermore, there is higher traffic in our portal as well as increasing number of Requests For Information (RFI) to our sellers. As a result, the improved Page Ranking of our portal in Google has proved that the Company has been already in the right track.

The Channel Sales Management with the joint venture company that the Group established in year 2006 has appointed 10 new agents in Northern and Central coastline of Mainland China. Such newly appointed agents have contributed additional revenue to the Group during the year under review. Furthermore, the Group has allocated additional resources to provide more in-depth technical training and support to the existing agents so as to strengthen their product-related knowledge and soft skills and consolidate their positions in the markets.

The management is in the opinion that the provision of quality services, including both on-line and off-line services, to both our buyers and sellers members is a major key to the success of the Group. On one hand, the on-line B2B platform serves the purposes of leads generation; on the other hand, the off-line Procurement Meetings services provide face-to-face opportunities for business connections between buyers and sellers. During the year under review, the Group has successfully recruited several internationally renowned labels, department stores and chain stores to participate in our Procurement Meetings and meet our sellers directly.

The Group has established its brand in apparel and related industries in past 10 years. In the years of 2006 and 2007, the management devoted extra resources in the development of new verticals, the Household industry, and the Gifts and Premium industry. These three industries will remain as our major markets in the coming years.

Segment Information

The revenue of the Group comprises the rendering of the integrated marketing solution services, ASP services and the technical consultancy services.

Sales from rendering the integrated marketing solution services increased by approximately 1.6% to HK$9.0 million and that from provision of ASP services decreased by approximately 21.6% to HK$18.0 million. The sales from provision of technical consultancy services decreased by approximately 0.5% to HK$14.2 million.

As to the geographical segments, sales to Hong Kong market decreased by approximately 15.1% to HK$27.0 million and that to Mainland China market decreased by approximately 0.5% to HK$14.2 million.

An analysis of the Group's revenue and financial results by principal activity and geographical area for the two financial years ended 31 March 2007 and 2008 is set out in note 9 to this results announcement.

Outlook

The cancellation or reduction of purchasing orders resulting from the economic slow down in the US market affected the SME manufacturers in Mainland China substantially, especially in the second half of the financial year under review. Those manufacturers who do not have strong financial support or experience in export market may end up with downsizing their operations or even close down.

In terms of a normal business cycle, the Group believes that Mainland China will remain as the world's factory and the demand from buyers will restore to a higher level, in spite of the current difficult operating situation. We expect that the Chinese export activities will gain back its momentum in the coming year, when the sub prime and financial crisis starts to settle down.

Having said that, the management has determined to explore more export alternatives for our sellers' members. The Group has allocated additional resources into the development of European markets, including Eastern Europe, which has demonstrated a strong economic growth in 2007 whereas the Group has firstly recorded a larger number of European buyers than the US buyers in the said year.

In the coming year, the Group will focus in recruiting buyers from emerging markets, including Middle East, South America, Eastern Europe as well as India. We believe the above mentioned strategies should weather out the effect of the slow down of the US economy and bring in more opportunities to our sellers.

The Company believes that the Forestry Project that the Company is going to acquire will have huge potential and good future trading prospect. The demand for timber and wood products in the Asia Pacific region, especially in China, has surged and will continue to be robust due to rapid economic growth, urbanization and increasing demand from interior decoration and construction industry in the region. On the other hand, due to increasing deforestation and the ban of illegal logging in the Asia Pacific region, supply for timber, especially tropical timber has diminished. In consequence of huge demand of tropical timber versus diminishing supply, the prices of tropical timber and wood products has been increasing and are expected to maintain at higher and raising levels. The Company has the view that the acquisition of the Forestry Project will diversify the Group's business and it has the potential to expand into the high-growth forestry business. Upon the Forestry Project commences commercial operations, the assets, revenue and profitability of the Group will be substantially enhanced.

Employees

As at 31 March 2008, the Group employed 63 staff in Hong Kong (2007: 81) and 170 staff in Mainland China (2007: 178). Total staff costs (including directors' remuneration) of the Group were approximately HK$25.9 million (2007: HK$27.8 million). Headcount decreased during the year ended 31 March 2008 for cost containment strategies. Staff is remunerated according to their performances and working experiences. In addition to the basic salaries and participation in the provident fund contributions, other staff benefits include share options scheme.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2008, the Group's cash and cash equivalents amounted to approximately HK$37.3 million, of which approximately 96.2% was denominated in Hong Kong dollars. The Group employs a conservative approach to its treasury policy cash management and risk control, and funding needs are principally financed by cash flow generated from the Group's operations.

The Group's net asset value as at 31 March 2008 amounted to approximately HK$57.8 million, representing approximately HK4.9 cents per share. The Group had no borrowings or assets pledged during the year and as at 31 March 2008. The gearing ratio (i.e. total borrowings/total equity) of the Group as at 31 March 2008 was nil (31 March 2007: nil). As at 31 March 2008, the Group had total current assets of approximately HK$58.9 million and total current liabilities of approximately HK$9.8 million. The current ratio of the Group was approximately 603.8% as at 31 March 2008 as compared to approximately 250.6% of 31 March 2007. The strong improvement in liquid position was mainly attributable to the net proceeds from the placing and top-up subscription of new shares.

Foreign Currency Exposure

The Group's reporting currency is in Hong Kong dollars. Most of the transactions, assets and liabilities of the Group are denominated in Hong Kong dollars and Renminbi. Since the Group has both Renminbi receipts and payments in our Mainland China operations and the net Renminbi exposure is not significant. The Board considers that the Group is not exposed to any significant exchange risk and accordingly, no hedging transaction was made during the year under review.

Charges on Group Assets

As at 31 March 2008, the Group did not have any charges on the Group's assets.

Contingent Liability

As at 31 March 2008, a corporate guarantee of HK$5,000,000 was given by the Company to a bank in connection with banking facilities granted to a subsidiary. As at 31 March 2008, the relevant banking facilities guaranteed by the Company to the subsidiary remain unutilised.

Future Plans for Material Investments or Capital Assets

The Group expects its primary capital expenditures to be investments in computer hardware and software required for e-commerce operations and development of new or value-added services based on the current plan and funding will not be significant and will be financed by the cash flows generated from the Group's operations.

Acquisition and Disposal of Material Subsidiaries and Affiliated Companies

During the year ended 31 March 2008, the Group had no material acquisition and disposal of subsidiaries and affiliated companies.

Significant Investments

As at 31 March 2008, the Group invested in equity-linked deposits with an estimated fair market value of approximately HK$9.5 million (2007: HK$13.7 million). Save as disclosed above, the Group has not held any significant investments during the financial year ended 31 March 2008.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has always recognised the importance of the shareholders of the Company's (the "Shareholders") transparency and accountability. It is the belief of the Board that the Shareholders can maximise their benefits from good corporate governance. The Company is committed to maintaining and ensuring high standards of corporate governance in the interests of the Shareholders.

Throughout the financial year ended 31 March 2008, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the code provisions under the Code on Corporate Governance Practices (the "Code") set out in Appendix 15 to the GEM Listing Rules, except for the following deviations from the code provisions of the Code:

Code Provision A.2.1

There is no separation of the roles of chairman and chief executive officer as set out in the code provision A.2.1.

Mr. Mak Shiu Tong, Clement currently assumes the roles of both the Chairman and the Chief Executive Officer ("CEO") of the Company. Mr. Mak has substantial experience that is essential to fulfilling the role of the Chairman. At the same time, Mr. Mak has the appropriate management skills and business acumen that are the pre-requisites for assuming the role of the CEO in the day-to-day management of the Group. The Board is composed of four executive directors (including the Chairman) and three independent non-executive directors ("INED(s)") with a balance of skills and experience appropriate for the requirements of the Group. Furthermore, the general management of the Company's major operations is performed by other individuals. The Board believes that there is no need to segregate the roles of the Chairman and the CEO as the balance of power and authority is already ensured by the current structure. The Board does not believe that the separation of the roles of the Chairman and the CEO will improve the corporate performances.

Code Provision A.4.1

The code provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing INEDs of the Company is appointed for a specific term. However, all INEDs of the Company are subject to retirement by rotation and re-election at every annual general meeting (the "AGM") of the Company in accordance with the articles of association of the Company.

Code Provision A.4.2

The code provision A.4.2 provides that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the articles of association of the Company, any director appointed to fill a casual vacancy shall hold office only until the next following AGM of the Company and shall then be eligible for re-election. The Board considers that such a deviation is not material as casual vacancy seldom happens and duration between appointment to fill casual vacancy and the immediate following AGM of the Company is less than one year and is considered to be short.

Pursuant to the articles of association of the Company, the Chairman and the managing director shall not be subject to retirement by rotation or also not be taken into account in determining the number of directors to retire in each year. The Board considers that the continuity of the Chairman and the managing director and their leaderships will be essential for the stability of the key management of the Board. On the other hand, the Board will ensure that the directors of the Company (the "Director(s)") other than the Chairman and the managing director will rotate at least once every three years in order to comply with the code provision A.4.2.

In the opinion of the Directors, the Company has complied with the code provisions under the Code set out in Appendix 15 to the GEM Listing Rules throughout the financial year under review, except for deviations from code provisions A.2.1, A.4.1 and A.4.2. Detailed information of such deviations and their respective considered reasons as well as other information on the corporate governance practices of the Company have been disclosed in the corporate governance report which will be contained in the 2007/08 Annual Report of the Company.

Model Code for Securities Transactions by the Directors

The Company has not adopted a code of conduct regarding securities transactions by the Directors but has applied the principles of the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). The Company has also made specific enquiry of all Directors and the Company is not aware of any non-compliance with the Required Standard of Dealings throughout the financial year ended 31 March 2008.

Remuneration Committee

The Company has established a remuneration committee (the "Remuneration Committee") with clearly defined written terms of reference in line with the code provisions under the Code. The Remuneration Committee currently consists of five members comprising the three INEDs of the Company, namely Messrs. Lam Kin Kau, Mark, Fung Hoi Wing, Henry and Lau Ho Wai, Lucas, and the two executive Directors, namely Mr. Mak Shiu Tong, Clement and Mr. Tam Ngai Hung, Terry. The Remuneration Committee is chaired by one of the members who must be an INED. The chairman of the Remuneration Committee is elected by the members who are present in the meeting, provided that he/she must be an INED.

Audit Committee

The Company has established an audit committee (the "Audit Committee") with specific written terms of reference formulated in accordance with the requirements of the GEM Listing Rules. The primary duties of the Audit Committee are to ensure the objectivity and credibility of the Company's financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditors of the Company.

The Audit Committee consists of three members comprising the three INEDs of the Company, namely Messrs. Lam Kin Kau, Mark, Fung Hoi Wing, Henry and Lau Ho Wai, Lucas throughout the financial year ended 31 March 2008. The chairman of the Audit Committee is elected by the members who are present in the meeting. All members of the Audit Committee hold the relevant industry or legal, accounting and financial experiences necessary to advise on the Board's strategies and other related matters. All members of the Audit Committee have complete and unrestricted access to the external auditors and all employees of the Company.

The Audit Committee has reviewed the Group's consolidated annual results for the financial year ended 31 March 2008, and confirmed that the preparation of such complied with the applicable accounting principles and practices adopted by the Company, the requirements of the Stock Exchange and adequate disclosures had been made.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the INEDs of the Company has filed a written confirmation to the Company confirming his independence pursuant to rule 5.09 of the GEM Listing Rules and has undertaken to inform the Stock Exchange and the Company as soon as practicable if there is any subsequent change in circumstances which may affect his independence. As at the date of this announcement, the INEDs of the Company are still considered to be independent. The INEDs of the Company are not appointed for any specific terms, but they are subject to retirement by rotation and re-election at each AGM of the Company in accordance with the articles of association of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the year.

PUBLICATION OF THE ANNUAL RESULTS, ANNUAL REPORT AND CORPORATE GOVERNANCE REPORT

The results announcement of the Company for the year ended 31 March 2008 will be published and remain on the website of the Company at www.tradeeasy.com/about-us-factsheet.html and will remain on the "Latest Listed Company Information" page of the HKExnews website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its publication. The annual report, corporate governance report and the notice of the AGM of the Company will be despatched to the Shareholders and made available on the websites of the Company and the HKExnews of the Stock Exchange on or before 30 June 2008.

ANNUAL GENERAL MEETING

The 2008 AGM of the Shareholders will be held at 2208, 22/F., St. George's Building, 2 Ice House Street, Central, Hong Kong on Monday, 21 July 2008 at 10:30 a.m. and the notice of the AGM of the Company will be published and despatched to the Shareholders in the manner as required by the GEM Listing Rules in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Directors are:

Executive Directors:
Mr. Mak Shiu Tong, Clement *(Chairman & Chief Executive Officer)*
Mr. Tam Ngai Hung, Terry
Ms. Cheng Yuk Ching, Flora
Dr. William Donald Putt

Independent Non-Executive Directors:
Mr. Lam Kin Kau, Mark
Mr. Fung Hoi Wing, Henry
Mr. Lau Ho Wai, Lucas

By Order of the Board of
Tradeeasy Holdings Limited
Mak Shiu Tong, Clement
Chairman

Hong Kong, 20 June 2008

This announcement will remain on the "Latest Listed Company Information" page of the HKExnews website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its publication and will be published and remain on the website of the Company at www.tradeeasy.com/about-us-factsheet.html.